

Point-Of-Sale Equipment Adds To Retail Exposures

A Basic Electronic Cash Register Can Be Worth More Than \$1,000

It was an hour before closing when the lights flickered inside a wireless telephone store. Smoke poured from the electrical outlets and equipment shorted out. Printers, scanners and computers were damaged, but it was the loss of electronic cash registers, several credit card readers and a computer server used to program new cellphones that shut the store down. The loss totaled \$10,225.

SHORT CIRCUIT SALES

The phone store relied on electronic point-of-sale (POS) equipment. The equipment was damaged by a utility power spike that surged through the electrical system of its leased building. The lights and electricity were quickly restored, but the equipment short-circuited and had to be replaced. Equipment breakdown insurance from HSB paid \$9,592 to cover the damage and \$633 for the loss of business income.

POS SYSTEMS ARE WIDESPREAD

POS systems can save a business time and money. Restaurants, convenience stores, supermarkets and retailers of all sizes use this equipment. Modern electronic cash registers are integrated with POS systems to perform many functions including inventory tracking, credit card authorization and electronic fund transfers. Some retailers use POS systems as a time clock to help make staffing decisions, others to print coupons on the spot, offer self-checkout stations and detect consumer fraud.

RISKY BUSINESS

A basic electronic cash register with a POS system can be worth in excess of \$700 to more than \$1,000; versions with touch screens and integrated POS systems cost \$3,000 and up, each. Many stores with several units have a significant investment in just cash registers and POS systems alone. The value of the receipt and customer data they contain, which can be lost in an equipment accident, and the potential for lost sales and extra expenses can be as much or more than the system.

PUMPING UP PROFITS

There are many types of POS equipment. Barcode scanners, receipt printers, credit card readers and scales are networked with POS systems. Even a gas pump, described by one systems provider as an "information appliance," may have speakers and cameras to monitor the pump, a card reader and a touch-screen to complete the sale. Other pump electronics collect information, advertise and offer other merchandise.

THE POINT IS PROTECTION

POS systems and equipment are essential to operating a retail business. Your clients rely on fragile equipment using swipe, touch and scan technologies that are often interconnected and vulnerable to electrical damage. Make sure they are covered for repairs, lost income and other expenses with equipment breakdown insurance from Hartford Steam Boiler.

Cash Register Short, No Pay at the Pump

POS systems and related equipment use sensitive computer components that are easily damaged by power disturbances. These typical losses were covered by equipment breakdown insurance from HSB.

- An underground electrical wire to a service station faulted, causing a power surge that damaged 14 credit card readers on the gas pumps. Although the pumps still worked, credit card billing had to be done by hand until repairs were complete. The paid loss totaled \$27,881.

- The “mother board” circuits of an electronic cash register were overloaded and shorted out during a power disruption at a small ice cream store. It cost \$745 to replace the machine.
- A store's computer system was damaged by a power surge that came in through the data network lines. Surge suppressors were installed on the electrical system, but not on the data lines. The total paid loss was \$30,800.